

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
APR 20 2004
PUBLIC SERVICE
COMMISSION

In the Matter of:

Case 2004-00140

APPLICATION OF MIKE LITTLE GAS COMPANY, INC.)
FOR APPROVAL OF LONG-TERM FINANCING)
THROUGH THE DEPARTMENT FOR LOCAL)
GOVERNMENT)

APPLICATION

Pursuant to KRS 278.300, Mike Little Gas Company, Inc. ("Mike Little") respectfully submits this application for approval of long-term financing through the Commonwealth of Kentucky's Department of Local Government ("DLG"), in the amount of \$115,666.21. The proceeds will be used to pay delinquent accounts payable in the amount of \$31,922.23 (Attachment A); a note held by First Commonwealth Bank in the amount of \$55,000 (Attachment B); debt to Miki Thompson, President of Mike Little, in the amount of \$13,746.30 (Attachment C); and to complete replacement of unprotected steel pipe as ordered in Case No. 1999-00267¹ in the amount of \$14,997.68 (Attachment D). Mike Little submits this original and 10 copies of the application with this filing.

1. Mike Little, a corporation incorporated April 21, 1961, is a small gas distributor operating in Floyd County, Kentucky, providing natural gas service to approximately 450 customers. Its plant consists of approximately 28 miles of plastic

¹ Investigation into Alleged Violations of 807 KAR 5:022, Sections 10(8); 10(9); 13(17)g; 14(12); 14(13); 14(21); 14(21)b; 14(23); and 14(25) and 49 CFR 192.463; 192.465; 192.625(f); 192.721; 192.723; 192.739; 192.743; and, 192.747.

pipe and approximately .5 miles of steel pipe with an original cost as stated in the 2003 annual report.

2. Mike Little's post office address is Box 69, Melvin, Kentucky 41650.

3. The current certified copy of Mike Little's Articles of Incorporation is on file with the Commission as part of the record in Case No. 1993-00400.

4. Mike Little owes past due amounts to a gas supplier, its certified public accountant and two of the company's officers for rent of the company office building owned by the officers. The past due amounts are listed in Attachment A.

5. Mike Little owes First Commonwealth Bank \$55,000 for amounts borrowed to pay gas suppliers and meet operating expenses. The note is appended as Attachment B.

6. Mike Little owes money to Miki Thompson, President of Mike Little, for amounts borrowed to pay past due amounts to a gas supplier. The dates and amounts borrowed are listed in Attachment C.

7. In Case No. 1999-00267, Mike Little was ordered to replace unprotected steel pipe in its system. Of the original 14,100 feet of steel pipe, approximately 2,775 feet remains to be replaced. As this replacement was ordered by the Commission, Mike Little believes this construction is in the ordinary course of business; therefore, a certificate of public convenience and necessity ("CPCN") is not required. If, however, the Commission determines that a CPCN is required, Mike Little requests that, a CPCN be awarded, along with a deviation from all CPCN filing requirements. The cost estimates for this pipe replacement are listed in Attachment D.

8. Mike Little seeks to obtain long-term financing, through DLG's Gas Restoration Board's financing program, in the amount of \$115,666.21. The DLG loan will be for a term of 30 years and bear a fixed interest rate to be determined by DLG.

DLG will have, as security for the loan, a lien on all Mike Little's assets and future earnings. A copy of the DLG loan commitment letter is appended as Attachment E.

9. Mike Little has 20 shares of common stock issued at \$500 per share and 41 shares of common stock at \$100 per share for total common stock of \$14,100. The total authorized number of shares is 500. No dividends have been paid in the past five years.

10. Mike Little is not seeking authorization to issue any kind of stock as part of this application.

11. Mike Little proposes to use as its financial exhibit, required by 807 KAR 5:001, Section 11(2)(a), its 2003 annual report filed with the Commission. Due to its small size, the fact that it prepares financial statements only once a year, and the cost associated with preparing additional financial statements, Mike Little requests a deviation from the requirement that the financial exhibit cover a period ended not more than 90 days prior to filing this application.

12. Mike Little's equipment, accounts receivable and other assets are pledged as collateral for the First Commonwealth Bank note as described in Attachment B. The note was issued on August 28, 2003 with a variable interest rate and a one-year term.

13. As no property is being acquired in conjunction with this financing, 807 KAR 5:001, Section 11 (1)(d) and Section 11(2)(c) are not applicable.

WHEREFORE, Mike Little requests the Commission issue an Order approving long-term financing of \$115,666.21 through the Department for Local Government.

DATED at Williamson, West Virginia, this day of April, 2004.

STATE OF WEST VIRGINIA

COUNTY OF MINGO

Miki Thompson, after first being duly sworn, deposes and says: That she is the President of the Mike Little Gas Company, Inc., a local gas distribution company; that she is duly designated by the Applicant to sign this Application; that she has read the foregoing Application and knows the contents thereof; and that the same is true of her own knowledge, except as to such matters as are therein stated on information or belief, and as to those matters she believes it to be true.

The 16th day of April, 2004.



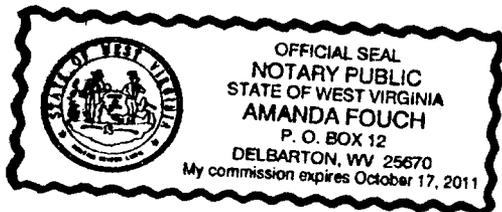
Miki Thompson, President
Mike Little Gas Company, Inc.

Subscribed and sworn to before me by Miki Thompson, this 16th day of April, 2004 by the undersigned Notary.



Notary

My commission expires: October 17, 2011



ATTACHMENT A

Delinquent Accounts Payable

Delinquent Accounts Payable:

Equitable Energy LLC	\$21,172.23
Smith, Goolsby, Art, & Reams (CPAs)	3,250.00
Miki Thompson & Winnie Greer (rent)	<u>7,500.00</u>
Total	<u>\$31,922.23</u>

EQUITABLE ENERGY, LLC
110 ALLEGHENY CENTER MALL
PITTSBURGH, PA 15212-5331
Fax: (412) 395-2675

MIKE LITTLE GAS
PO BOX 69
MELVIN, KY 41650

Invoice Number: S-04020003
Customer ID: MIKELITTLE
Customer Number:
GMS Contract Number: S-MIKELITTLE-T-0003
Invoice Date: 5-Mar-2004
Due Date: 20-Mar-2004
Production Month: 2/2004

EQUITABLE ENERGY, LLC

Pipeline	Meter	Description	MCF	Quantity	Avg. Price	Amount Due
(Prodmonth = 2 ProdYear = 2004)						
KENTUCKY.WV	25	MIKE LITTLE GAS COMPANY, LANGLE'	294	348 Dth	7.05000	\$2,453.40
KENTUCKY.WV	56B	MIKE LITTLE GAS COMPANY, BURTON	5312	6,252 Dth	7.05000	\$44,076.60
				Current Totals	6,600 Dth	\$46,530.00

Adjustments

(Prodmonth = 1 ProdYear = 2004)						
KENTUCKY.WV	25	MIKE LITTLE GAS COMPANY, LANGLE'	120	142 Dth	7.05000	\$1,001.10
KENTUCKY.WV	56B	MIKE LITTLE GAS COMPANY, BURTON	(673)	(792) Dth	7.05000	-\$5,583.60
KENTUCKY.WV	25	MIKE LITTLE GAS COMPANY, LANGLE'	787	930 Dth	7.05000	\$6,556.50
KENTUCKY.WV	56B	MIKE LITTLE GAS COMPANY, BURTON	6,101	7,170 Dth	7.05000	\$50,548.50
Amount Applied from Check Received 2/23/04						-\$21,195.64
Interest Due on Nov Prod						\$33.67
Interest Due on Dec Prod						\$49.11
Interest Due on Jan Prod						\$232.59
				Current Totals	7,450 Dth	\$31,642.23

Recap:

Current Actual Total	\$46,530.00
Balance Due Total	\$31,642.23
Net Amount Due	<u>\$78,172.23</u>

Less: <48,000> 3/11/04 pymt
Less: <9,000> 3/26/04 pymt
\$21,172.23

Please Wire Transactions To:

Mellon Bank NA
Pittsburgh, PA
Account # 1212494
ABA # 043000261

Please Send Invoices To:

Equitable Energy, LLC
110 Allegheny Center Mall
Pittsburgh, PA 15212-5331
Phone: (412) 395-2600

Please Remit Check To:

Equitable Energy, LLC
PO BOX 223046
Pittsburgh, PA 15251

Send Correspondence To:

Equitable Energy, LLC
110 Allegheny Center Mall
Pittsburgh, PA 15212-5331
Phone: (412) 395-2600

SMITH, GOOLSBY, ARTIS & REAMS, PSC
TIN 61-1028120

P.O. BOX 551 1330 CARTER AVENUE
ASHLAND, KY 41105-0551
Phone: 606-329-1171 FAX: 606-325-0590

MIKE LITTLE GAS CO.
BOX 69
MELVIN, KY 41650

Client ID: 06584 001

For the period ending February 29, 2004

Date	Description	Invoice Number	Invoice Amount	Cash Applied	Amount
	Balance Forward				\$ 5,250.00
February 19, 2004	Payment				(1,000.00)
				Amount Due	\$ 4,250.00
				Less:	<u>(1,000.00) pd 3/1/04</u>
					<u>3,250.00</u>

Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,750.00	\$ 500.00	\$ 4,250.00

Office Rent Owed by Mike Little Gas Company, Inc.

<u>Month</u>	<u>Miki Thomspn, Pres.</u>	<u>Winnie Greer, Sec/Treas</u>	<u>Total</u>
November 2003	750.00	750.00	
December 2003	750.00	750.00	
January 2004	750.00	750.00	
February 2004	750.00	750.00	
March 2004	750.00	750.00	
Totals	<u>3,750.00</u>	<u>3,750.00</u>	<u>7,500.00</u>

ATTACHMENT B

First Commonwealth Bank Note

PROMISSORY NOTE

Principal Amount: \$55,000.00
References in the shaded areas are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: MIKE LITTLE GAS CO., INC
F.O. BOX 53
RELUVA, KY 41650

Lender: First Commonwealth Bank
Main Office
311 North Arnold Avenue
Prestonsburg, KY 41653
(606) 888-2321

Principal Amount: \$55,000.00 Initial Rate: 4.000% Date of Note: August 28, 2003

PROMISE TO PAY. MIKE LITTLE GAS CO., INC ("Borrower") promises to pay to First Commonwealth Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Fifty-Five Thousand & 00/100 Dollars (\$55,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of such advance. The interest rate will not increase above 24.000%.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on August 28, 2004. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning September 28, 2003, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the New York Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.000% per annum. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate equal to the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.000% per annum. Notwithstanding the foregoing, the variable interest rate or rates provided for in this Note will be subject to the following minimum and maximum rates. NOTICE: Under no circumstances will the interest rate on this Note be less than 4.000% per annum or more than (except for any higher default rate shown below) the lesser of 24.000% per annum or the maximum rate allowed by applicable law.

PREPAYMENT: MINIMUM INTEREST CHARGE. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$10.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First Commonwealth Bank, 311 North Arnold Ave, Prestonsburg, KY 41653.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged \$20.00.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the variable interest rate on this Note to 18.000% per annum. The interest rate will not exceed the maximum rate permitted by applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

- Payment Default. Borrower fails to make any payment when due under this Note.
Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.
False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.
Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.
Credit or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.
Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disavows the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.
Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.
Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.
Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately indicates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default; and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES/EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or waive any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by, construed and enforced in accordance with federal law and the laws of the Commonwealth of Kentucky. This Note has been accepted by Lender in the Commonwealth of Kentucky.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Floyd County, Commonwealth of Kentucky.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or

PROMISSORY NOTE
(Continued)

Loan No: 7314757

preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein, all the terms and conditions of which are hereby incorporated and made a part of this Note:

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower or as provided in this paragraph. All oral requests shall be confirmed in writing on the day of the request. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person currently is authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of his or her authority: MIKE THOMPSON, President of MIKE LITTLE GAS CO., INC. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (A) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (B) Borrower or any guarantor ceases doing business or is insolvent; (C) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; or (D) Borrower has applied funds pursuant to this Note for purposes other than those authorized by Lender.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice (describing the specific inaccuracies) should be sent to us at the following address: First Commonwealth Bank 311 North Arnold Ave. Prestonsburg, KY 41653

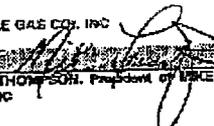
GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (respectively and for any length of time) this loan or release any party or guarantor or collateral or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

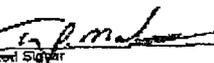
BORROWER:

MIKE LITTLE GAS CO., INC

By: 
MIKE THOMPSON, President of MIKE LITTLE GAS CO., INC

LENDER:

FIRST COMMONWEALTH BANK

X COPY 
Authorized Signer

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (read and hear) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

First Commonwealth Bank
311 North Arnold Ave.
Prestonsburg, KY 41663

*filed 6/20/03
w/ KY SOS
file # 2003-1934167-86
April Fulmer
3-25-04*

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
MIKE LITTLE GAS CO., INC

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
P O BOX 68 MELVIN KY 41660 USA

1d. TAX ID #, SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR **1e. TYPE OF ORGANIZATION** Corporation **1f. JURISDICTION OF ORGANIZATION** KY **1g. ORGANIZATIONAL ID #, if any** NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID #, SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR **2e. TYPE OF ORGANIZATION** **2f. JURISDICTION OF ORGANIZATION** **2g. ORGANIZATIONAL ID #, if any** NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR (S)) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
First Commonwealth Bank

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
311 North Arnold Avenue Prestonsburg KY 41663

4. This FINANCING STATEMENT covers the following collateral:

All inventory, Chattel Paper, Accounts, Equipment and General Intangibles; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds)

5. ALTERNATIVE DESIGNATION (if applicable) LESSOR/LESSOR CONSIGNEE/CONSIGNEOR BAILEOR/BAILORE MELLEBUYER AG. LIEN NON-UCC FILING

6. THIS FINANCING STATEMENT is to be filed for record (or recorded) in REAL ESTATE RECORDS **7.** THIS IS A SEARCH REPORT (2) on Customs All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

ATTACHMENT C

Debt to Miki Thompson, President

Debt owed to Miki Thompson, President:

Amounts from Ms. Thompson Deposited to Mike Little Bank Account:

November 3, 2003	\$ 2,000.00
November 13, 2003	<u>11,746.30</u>
Total	<u>\$13,746.30</u>

These are non-interest bearing demand loans. These amounts were borrowed by the company to pay past due amounts owed to one of its gas suppliers.

ATTACHMENT D

Cost to Replace Remaining Steel Pipe

Estimated Gas Line Replacement - Replacement Order Date June 2004

Length: 2,775 feet
Size: 2 inch

Materials:

Pipe	\$2,040.00
Tracer Wire	240.68
Reducers, Service Ts, Couplings Dressers	267.00
Subtotal	<u>\$2,547.68</u>

Labor:

3 people in addition to employee (2 flagging, 1 helper)	<u>\$6,000.00</u>	See Note below.
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Other:

Backhoe Rental	\$3,950.00
Blacktop Repacement	\$2,500.00
Subtotal	<u>\$6,450.00</u>

Total Estimated Cost of Line Replacement	<u><u>\$14,997.68</u></u>
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Note: It is estimated the replacement will take two months. The labor estimate was calculated as follows:

Number of workers	3
x number of months	2
x hourly rate	6
x number of hours in day	8
x approx. days per month	20
	<u>5760</u>

This was rounded to \$6,000 as some months have more than 20 days.

ATTACHMENT E

Commitment Letter from Department for Local Government



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR
DEPARTMENT FOR LOCAL GOVERNMENT

1024 CAPITAL CENTER DRIVE, SUITE 340
FRANKFORT, KENTUCKY 40601-8204
(502) 573-2382

ERNIE FLETCHER
GOVERNOR

DARRELL D. BROCK, JR.
COMMISSIONER

April 7, 2004

Miki Thompson, President
Mike Little Gas Company, Inc.
Post Office Box 69
Melvin, Kentucky 41650

Dear Ms. Thompson:

I have received your letter of inquiry concerning a possible Gas System Restoration and Development Project (GSRP) loan to Mike Little Gas Company, and the terms and conditions of such a loan. The program does currently have funds available for lending. Loans are made for up to 30 years, at a rate four percentage points below the federal prime rate but not less than four percent. The effective rate is currently four percent. The applicant must document that it has been unable to obtain financing for the proposed project from conventional lending sources.

A model set of loan conditions is enclosed for your information. These provisions are incorporated into all GSRP loan contracts, but may be modified according to circumstances at the discretion of the loan review board.

Under the provisions of KRS 147.200, the board cannot consider a loan unless the applicant has complied with all construction and securities requirements of the Public Service Commission. Therefore, your GSRP loan application should be coordinated with the Commission (attention: Bill Bowker), with request for a certification that those requirements have been met.

Please contact Lee Creech at the Department for Local Government if you have further questions concerning the application or loan review process.

Sincerely,


DARRELL D. BROCK, JR.
Commissioner

cc: Aaron Greenwell